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JASON EDWARD THOMAS CARDIFF
10

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA
13

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 vs.

17 JASON EDWARD THOMAS
18 CARDIFF,

19 Defendant.
20
21

Case No. 5:23-cr-00021-JGB

NOTICE OF MOTION AND
MEMORANDUM IN SUPPORT OF
MOTION TO DISMISS INDICTMENT
BASED ON FRAUD ON THE COURT

22 **NOTICE OF MOTION**

23 Please Take Notice that, on June 2, 2025, at 2:00 p.m., or as soon thereafter as
24 it may be heard, in the courtroom of the Hon. Jesus G. Bernal located at 3470 Twelfth
25 Street, Courtroom 1, Riverside, CA 92501, Defendant Jason Cardiff will move to
26 dismiss the Indictment in this case based on fraud on the Court.

27 This motion is made upon this Notice, the attached Memorandum of Points and
28 Authorities, and all pleadings, records, and other documents on file with the Court in

1 this action, and upon such oral argument and evidence as may be presented at the
2 hearing of this motion.

3 Dated: April, 27, 2025

4 Respectfully submitted,

5 /s/ Stephen R. Cochell

6 Stephen R. Cochell

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POINTS AND AUTHORITIES

Defendant, Jason Cardiff, files this Memorandum in Support of Motion to Dismiss Indictment Based on Fraud on the Court.

I. Introduction

The Government’s entire case rests on a Receiver who committed outright fraud against the Court. This is not about small mistakes or technical errors. This Receiver forged critical evidence: he cut out damaging paragraphs from emails, moved signature lines to change their meaning, and filed the altered versions under penalty of perjury as if they were true. Even worse, he fabricated an entire IRS amended proof of claim—complete with a fake IRS fax cover sheet—and submitted it to the Court to protect his own payday. These were not clerical errors or oversights--- they were calculated acts of deception, aimed directly at misleading the Court and gaining financial benefit. Every document and every allegation that the government now relies upon flowed through a Receiver who engaged in deliberate forgery and fraud. If the Government’s evidence begins with a officer of the Court forging documents, then the Government’s case cannot proceed. No party—and certainly not the United States—can stand on a foundation built on forgeries, lies, and fraud on the Court itself.

On or about mid-March, 2025, Plaintiff discovered that the Receiver forged a document in *FTC v. Redwood Scientific Technologies, Inc, et.al.*, Case No. 5:18-cv-02104 (the “Civil Case”). Unfortunately, this was not the first time that the Receiver forged a document during the Civil case.

As this Court knows, a Receiver, Robb Evans, LLC, through Brick Kane, was appointed by the Court in the FTC Civil Case. The Government has relied almost exclusively on documents obtained from the Receiver in pursuing this case. Receivers are, at all times, officers of the court, required to serve in a neutral capacity to assist the

1 court in its judicial functions.¹ In sum, the Court relied on the Receiver to preserve
2 receivership documents, provide accurate information about the receivership estate and
3 to account for receivership funds. As set out below, the Receiver was unreliable and
4 forged at least two documents when it suited his financial interest. The Receiver's fraud
5 on the court warrants dismissal with prejudice. The Court has the inherent power to
6 dismiss a case or modify prior rulings where a fraud on the Court has harmed the
7 integrity of the judicial process. *United States v Sierra Pacific Indus., Inc.* 862 F.3d
8 1167, 1167 (9th Cir. 2017); *Levander, v. Prober (In re Levander)*, 180 F.3d 1114, 1119
9 (9th Cir. 1999) (fraud which does or attempts to, defile the court itself, or is a fraud
10 perpetrated by officers of the court so that the judicial machinery can not perform in
11 the usual manner its impartial task of adjudging cases that are presented for
12 adjudication.”)

13 II. Newly Discovered Evidence

14 The Receiver's most recent forgery starts with a document filed by the Receiver
15 entitled: “Summary Accounting with Allocations” in the Civil Case discussing how
16 existing receivership funds could be allocated to the Internal Revenue Service (“IRS”),
17 various creditors including the Receiver.

- 18 1. On September 10, 2021, the Receiver filed his Summary Accounting with
19 Allocations attaching a Proof of Claim form that showed IRS claim for
20 **\$2,787,989.73** against Eunjung Cardiff and Jason Cardiff Dkt. 654 at 5-6,
21
- 22 2. The Receiver stated: “It is clear that the New IRS Claim is in excess of the
23 balances in the receivership estate. There are insufficient funds in the
24 receivership estate to pay the New IRS Claim in full.” Id. at 5.
- 25 3. On September 16, 2021, the Receiver filed an Updated Report representing
26 to the Court that the Receiver:

27 Late on Wednesday (9/15/21) the IRS provided to the Receiver a

28 ¹ *United States v. Larmore*, 2024 U.S. Dist. 209544 *7-8 (D. Ariz).

1 further amendment to the IRS claim, Amendment No. 2 (attached
2 hereto as Exhibit 1). To address the issues noted by the Receiver in
3 the Summary Accounting and in the Receiver's 9/10/21 filing [Doc.
4 # 654], and in the discussions that the Receiver had with the IRS,
5 the IRS has now lowered its claim to the previous amount ---
6 \$64,232.36 --- and decided to forgo claiming the higher,
7 \$2,787,989.73 claim amount. (emphasis supplied)

- 8
- 9 4. At the time of the report, the Receiver reported that he had \$1,745,000 in
10 cash. Dkt. 654 at 9, **Appendix II.**
- 11 5. In other words, the Receiver had obtained an agreement or settlement with
12 the IRS that basically saved the receivership from being unable to pay
13 creditors and the Receiver's fees going forward.
- 14 6. The Court, the FTC and the parties assumed that the Receiver had provided
15 real IRS documents and an IRS FAX cover sheet because he was the court-
16 appointed Receiver. **Exhibit A**, E. Cardiff Dec. ¶ 4.
- 17 7. The Cardiffs did not become aware of a problem until they learned that Mrs.
18 Cardiff's application for renewal of her U.S. passport was denied September
19 of 2024 by the State Department due to unpaid taxes. **Exhibit A**, E. Cardiff
20 Dec., **Ex. 2**
- 21 8. In 2024, Ms. Cardiff retained Vidal Espinosa, CPA who provided Ms.
22 Cardiff with her official 2014 tax transcript. As of September 16, 2024, the
23 IRS' Official Transcript for tax year 2014 shows that Ms. Cardiff has a lien
24 in the amount of **\$4,024,994.43** and had been assessed significant interest
25 and penalties as a result of the Receiver's false allegations submitted to the
26 Court in Docket 657. **Exhibit A**, E. Cardiff Declaration ¶¶ 8, 11.
- 27 9. In March, 2025, Mr. Cardiff contacted the IRS about the Amended Claim.
28 **Exhibit B**, Cardiff Dec. ¶ 4. In pertinent part, the IRS agents have no
evidence of a settlement or forgiveness of the \$2,787,989.73 Amended Claim
with the Receiver that matches the documents the receiver submitted to the

1 Federal Court. **Exhibit B**, J. Cardiff Declaration ¶¶s 5-11, Ex. 1.

2 Thus, the representations made to the Court were untrue and a fraud on the Court.
3 Indeed, it appears that the Receiver simply wanted to make sure he got paid his fees
4 and forged the IRS Amended Claim on or about September 15, 2021. The Receiver
5 had a fiduciary duty to pay taxes as part of the receivership estate. Instead, he lied to
6 the Court and created a \$4,000,000-plus liability against Ms. Cardiff. This sort of
7 misconduct destroys any confidence that the Receiver was neutral or objective when it
8 came to his stewardship of the documents and funds entrusted to him by the Court.

9 **III. Prior Forgery By Receiver**

10 10. The Receiver filed a Final Report and Accounting re: VPL Medical, Inc.
11 (“VPL”) authorizing his Sixth Fee Application and discharging the Receiver
12 of liability in handling this matter.

13 11. It is no secret that the Cardiffs’ challenged the Receiver’s failure to properly
14 handle receivership affairs, placing two staff members at VPL Medical
15 whose sole job entailed observing Jason Cardiff, but not working or helping
16 in the production of surgical quality face masks. Dkt. 391. Cardiff asked
17 that the Receiver be removed and replaced by another receiver due to his
18 incompetence. *Id.* at 18 fn 7.

19 12. In the Final Accounting, the Receiver represented that VPL would have a
20 negative balance after payment of all expenses. Dkt. 582-1 at 23. However,
21 the Receiver’s Quickbooks reflected no payments to VPL, to Robb Evans or
22 its law firm. Dkt. 590 at 2. The Receiver further represented that other
23 corporate funds, Biztank LLC funds, were “properly accounted for as
24 separate and apart from VPL and do not form the basis for any turnover of
25 money to VPL based on the dissolution of the VPL receivership estate.”² *Id.*
26

27 ² The dissolution of the VPL receivership was ordered by the Ninth Circuit in *FTC v.*
28 *VPL Medical, Inc.*, No. 20-55858 (9th Cir. Apr. 28, 2021).

1 13. However, it was clear that the Receiver paid fees for his Fifth Application
2 from other corporate funds (i.e. Biztank LLC), and not VPL's funds as
3 represented to the Court. *Id.* citing Dkt. 586 at 6.

4 The Receiver claims a \$68,000 shortfall in VPL funds, (Dkt.
5 580-1 at 24) but the Receiver's Quickbooks. Spreadsheet
6 shows that VPL should have **\$1,063,862** in its account. **Exhibit A**, Cardiff Dec., Ex. 1, Spreadsheet p. 35 of 35). The
7 Receiver's accounting leaves VPL no funds to operate upon
8 dissolution of the company while making sure the Receiver
9 gets fully paid at VPL's expense.

10 Dkt. 590 at 5 (emphasis supplied).

11 14. As part of the dispute, Receiver Brick Kane submitted a sworn declaration
12 "Exhibit 2" (Dkt. 586-1, at p. 46), That document purports to show an email
13 from Jason Cardiff dated May 13, 2021, at 5:02 PM. However, a comparison
14 of that version against the actual emails (as documented in Exhibits 3 and 4
15 of Jason Cardiff's Declaration, Dkt. 590-1, pp. 47–48) Appendix III, IV
16 reveals that Mr. Kane *removed the core content* of the email—namely, the
17 paragraph in which Cardiff questioned the legitimacy of the Receiver's
18 accounting and the source of funds used to pay the Fifth Fee Application.

19 15.. The version of the email submitted by Mr. Kane as attached as Exhibit 2
20 (Dkt. 586-1, p. 46) to his sworn declaration falsely states Mr. Cardiff sent
21 the following email:

22 "Brick
23 Bobby has removed me from vpl payroll.
24 Please respond that you received this thank you"
25 — *Jason Cardiff*

26 Appendix __. The version stops here deleting the core inquiry politely asking
27 the Receiver's about the accounting.

28 16. This complete, full email was sent at 5:02 PM: Exhibit 3 (Dkt. 590-1, p.

1 47)

2 "Brick

3 Bobby has removed me from vpl payroll.

4 Please respond that you received this thank you

5 Also we received the final accounting from Anita as to all funds
6 paid out by Vpl can you help me by letting me know why there
7 are no payments to the receivership from Vpl and if not what
8 funds were used to pay Vpl perhaps her QuickBooks accounting
9 and bookkeeping has an error such as the billable hours for April
10 29 and 30th please let me know who paid the fifth approved
11 receivers fees since it wasn't Vpl."

12 — *Jason Cardiff*

13 (*Dkt. 590-1, p. 47, Exhibit 3*)

14 17. Mr Kane confirmed receipt of Confirmed Receipt: Brick Kane's Reply at
15 5:03 PM (*Dkt. 590-1, p. 48*)

16 "Received."

17 18.Kane later included the entire full version of the email in a reply
18 memorandum demonstrating he saw, read, and possessed the full paragraph
19 that he deleted from the exhibit he submitted to the Court. (*Dkt. 590-1, p. 48,*
20 *Exhibit 4*)

21 **IV. Credibility And Destruction Of Evidence**

22 19. Defendant previously challenged the Receiver's lack of neutrality including
23 for example, his destruction of Google Drive evidence. The Receiver
24 admitted that he informed both DOJ and USPIIS that the Googe Suite account
25 "was not renewed intentionally to avoid alerting Cardiff of any interest in the
26 data." *Dkt. 79 at 4.* The Google Suite included key evidence such as audit
27 logs, sales call recordings, Nest Cam recordings, staff meeting handwritten
28 logbooks, customer sale log sheets, handwritten notes and reports of
customer charges and rebills.

20.This Court found the Receiver decided not to renew Redwood's Google Suite

1 account as it was unclear whether the “interest was the Receiver’s, the FTC’s,
2 or any other entity’s—in the specific data stored in that account.” Dkt. 79 at
3 18 fn. 7. At this point, the Receiver was well aware of the DOJ investigation
4 and was cooperating fully with DOJ. Similarly, Cardiff knew the FTC
5 would have full access to all books and records, as per the TRO and
6 Preliminary Injunction. Dkt. 59 at 28. However, Cardiff was unaware of the
7 DOJ’s criminal investigation.

8 21. Mr. Kane’s statements are now infected with clear evidence of the Receiver’s
9 forgery and bias against Mr. Cardiff. There is no question that Mr. Kane
10 wanted to destroy evidence to prevent Cardiff from accessing information
11 that might ultimately be helpful to Mr. Cardiff in the future.

12 **V. The Court Should Dismiss This Case or, in the Alternative, Modify Its**
13 **Rulings.**

14 The Receiver’s fraud on the court goes to the very integrity of proceedings in this
15 case as well as the Civil Case. The Ninth Circuit has made it clear that courts should
16 not hesitate to dismiss or modify orders or judgments where, as here, an officer of the
17 Court, appointed by the Court to serve as a neutral receiver, abandoned his role and
18 engaged in biased acts to either help the Government or to assure that his receivership
19 fees get paid. In determining whether fraud constitutes fraud on the court, the relevant
20 inquiry is not whether fraudulent conduct prejudiced the opposing party, but whether it
21 harmed the integrity of the judicial process.” *United States v. Sierra Pacific Indus. Inc.*,
22 862 F.3d 1157, 1167-1168 (9th Cir. 1999) (emphasis supplied). In *Sierra Pacific*, the
23 Court made it clear that the relevant inquiry is not whether fraudulent conduct
24 prejudiced the opposing party, but whether it harmed the integrity of the judicial
25 process. *Id.* The fraud on the court must involve an unconscionable plan or scheme
26 which was designed to improperly influence the court in its decision. *Id.* at 1168. In
27 *Levander, v. Prober (In re Levander)*, 180 F.3d 1114, 1119 (9th Cir. 1999), the Court
28 held that a case may be dismissed for fraud “which does or attempts to defile the court

1 itself, or is a fraud *perpetrated by officers of the court* so that the judicial machinery
2 can not perform in the usual manner its *impartial* task of adjudging cases that are
3 presented for adjudication.” (emphasis supplied)

4 The Receiver was an officer of the Court. Receivers must be held to the highest
5 standard of conduct. The Receiver crossed the line when he intentionally destroyed
6 evidence to make sure that Jason Cardiff did not become aware of the DOJ’s interest
7 and investigation of him. Why would the Receiver care if Cardiff became aware of the
8 FTC’s interest in Google Suites where, as here, the Court already granted the FTC full
9 access to Defendant’s books and records?

10 The Receiver again crossed the line when he forged an email to try and gain an
11 advantage when Defendant challenged his Final Accounting to the Court. The
12 Receiver did not want the Court to know that Mr. Cardiff had legitimate questions about
13 his accounting, so what did he do? He attached an email where he not only deleted the
14 paragraph with Mr. Cardiff’s questions, but forged Mr. Cardiff’s signature moving it
15 up to misrepresent the substance of the email. This is commonly referred to as
16 Aggravated Identity, 18 U.S.C. § 1028A .

17 Finally, the Receiver crossed the line a *third* time and forged an Amended Proof
18 of Claim by the IRS, that misrepresented to the Court that a \$2,787,989.73 had been
19 settled or forgiven by the IRS. The falsity of that statement in September, 2021 was
20 not discovered until October, 2024.

21 It is evident that if a court-appointed receiver is willing to forge IRS documents
22 and submit them under penalty of perjury as part of a sworn declaration, then the
23 government should deem all work product, findings, and representations made by that
24 receiver to be unreliable and tainted. Such conduct fundamentally undermines the
25 integrity of the receivership process. A referral for criminal prosecution under 18
26 U.S.C. § 1028A (Aggravated Identity Theft) would be appropriate, as the fabrication
27 and use of another entity’s IRS records in an official proceeding constitutes a serious
28 and prosecutable instance of identity theft.

1 Each of the four charges against Mr. Cardiff relies heavily on evidence and
2 records provided by the Receiver, a court-appointed officer whose repeated acts of
3 forgery have irreparably tainted the judicial process. The Receiver's misconduct
4 renders any derivative evidence inadmissible and infects the integrity of the entire
5 prosecution.

6 WHEREFORE, Defendant requests this Honorable Court dismiss this case with
7 prejudice or, in the alternative, grant Defendants Appropriate relief.

8 Dated: April 27, 2025
9

10 By: /s/ Stephen R. Cochell

11 Stephen R. Cochell

12 Attorney for Defendant

13 JASON EDWARD THOMAS CARDIFF
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SERVICE LIST

I HEREBY DECLARE THAT THE FOLLOWING COUNSEL HAVE BEEN SERVED WITH THIS DEFENDANT JASON CARDIFF'S NOTICE OF MOTION AND MOTION TO SUPPRESS EVIDENCE THROUGH THE COURT'S ECF OR NEXT GEN ELECTRONIC FILING SYSTEM:

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/S/ Stephen R. Cochell
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